

Beacon



The business case for **supply chain visibility**



Considering an investment in supply chain visibility?
This guide explores the strategic and financial
benefits and offers a framework for estimating ROI.

So you're thinking about supply chain visibility...

There is a common misconception that supply chain visibility is just about freight tracking. But this constrained definition fails to capture the transformational strategic and financial benefits that organizations stand to gain from an investment in visibility.

Supply chain visibility can more appropriately be described as an organization's ability to equip **everyone** in their supply chains with **real-time access to the information they need** to keep goods moving, and generate the **insights needed to improve supply chain performance**.

A good visibility solution serves as a single source of truth and gives you ownership of your supply chain data. It should provide a complete, real-time picture of what is happening now and insight into what's happened in the past. The best solutions also make it easy to extend visibility to and collaborate with supply chain partners and understand the carbon footprint of your logistics operations.

Improving visibility helps logistics and supply chain teams save time (and money) on repetitive tasks like fetching and communicating tracking updates, freeing up teams to focus on supporting customers and responding to risks and disruptions. By bringing together your supply chain data in one place, visibility solutions also help you generate the data-driven insights needed to optimize freight spend and inventory carrying costs.

In this guide:

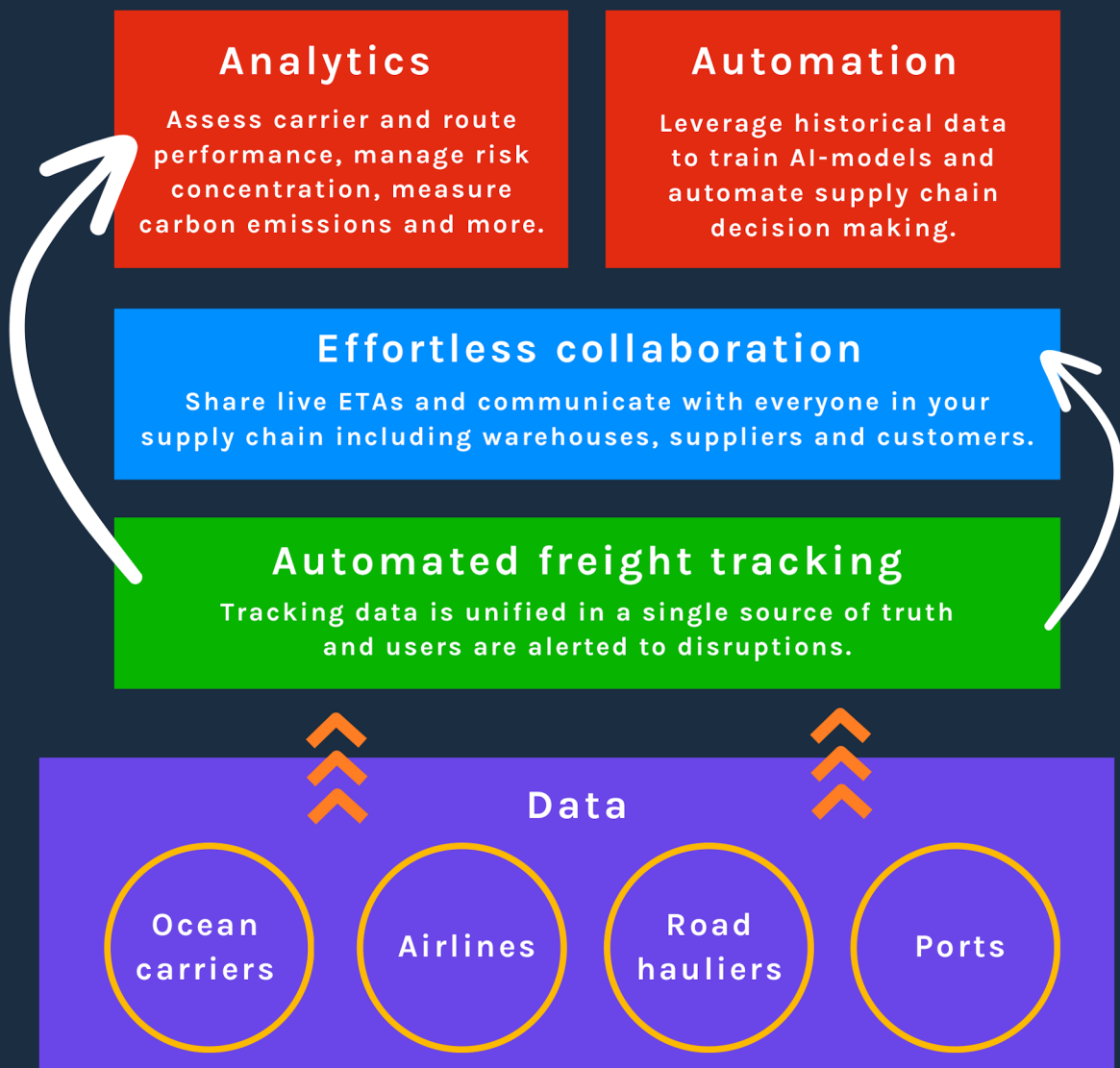
1. What does supply chain visibility really mean?
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1

What does **supply chain visibility** really mean?

Supply chain visibility can best be described as an organization's ability to access, share and analyze their supply chain data. A robust visibility infrastructure consists of three essential layers: tracking, collaboration and analytics.

The anatomy of supply chain visibility



Tracking is the foundation of visibility. A good visibility platform brings all of your freight tracking milestone data together in one place, enabling organizations to get a complete view of what's happening at any given moment - no carrier portals or email chains required.

But visibility is not just an internal project. It has to extend to your supply chain partners and stakeholders to be truly effective. With all your data in one place, building systems and processes for making this information readily available to everyone who needs it becomes significantly less challenging.

Visibility also has both a real-time and a historical component. Understanding what is happening now is crucial, but a good visibility platform should also provide the analytics and insights needed to diagnose problems, hold partners accountable and ultimately improve supply chain performance. Once you've built a database that allows you to generate the insights you need to make decisions, you will also be well prepared to take the leap into AI-powered supply chain automation.

2

Common indicators of poor supply chain visibility



Excessive freight costs and penalties



No source of truth



Bloated safety stock levels



Broken communication



Non-existent or poor quality insights



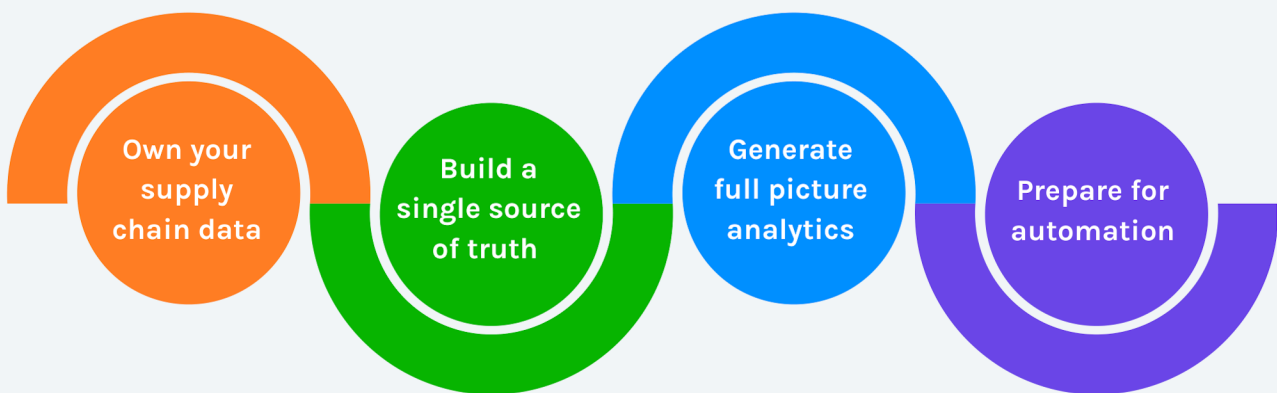
Reliance on manual tracking

3

The strategic benefits of supply chain visibility

To put it simply, investing in supply chain visibility helps organizations unlock new capabilities, transform ways of working and future proof their businesses.

It gives you ownership of your supply chain data



Data drives knowledge, and knowledge is power. But supply chain and logistics teams face two major challenges when it comes to data.

Firstly, there is rarely a single source of truth that enables you to get the full picture of what's happening. Instead, data is distributed across spreadsheets, systems and carrier portals which makes it difficult to generate the insights needed to diagnose problems and improve supply chain performance. ERPs are commonly touted as the solution to this problem, but their utility is limited by the fact that while they can tell you the current state of affairs, they are less equipped to help you understand how you got there. Beyond that, they often rely on manual data entry which is both time consuming and prone to error.

Secondly, data is often controlled by supply chain partners. If your data is living in carrier portals, you're leaving your organization vulnerable to the whims of your carriers or forwarders. As data becomes increasingly valuable, it stands to reason that data controllers will make moves to restrict (free) access to historical data.

Beacon and other visibility solutions are well positioned to solve these problems by automating the collection and organization of freight tracking data in a single platform that you have complete control and ownership of.

Looking towards the future, it's also important to consider that data is the foundation of automation. Without good data to train it on, even the best AI will fail to deliver value. That's why, even if automation isn't a current priority, investing in visibility and building a robust historical data set will set your organization up for future automation success.

It streamlines supply chain collaboration



Supply chains are made up of a huge network of actors and any good visibility programme has to extend beyond the walls of your organization to reach your supply chain partners.

Doing so ensures that everyone involved has access to:

- the current status and location of goods
- the next action required for the shipment to continue along its journey
- all associated documents necessary to keep the goods flowing

In the absence of a single source of truth, most businesses resort to inefficient emails or instant messaging to communicate updates and coordinate action plans with their partners.

Supply chain collaboration solutions like Beacon Live Boards bring together all of your stakeholders, data, documents and communication in one place. With bespoke views for each of your partners, you can be confident that everyone in your supply chain has the most up-to-date information, whenever they need it – all without the need for email chains and spreadsheets that are at risk of being out of date the minute you send them. Commenting capabilities mean you can communicate directly alongside the data that is informing your decision making.

The screenshot displays the Beacon Live Board interface. At the top, it says "Beacon Our shipments for the week" with a "Private" label. Below this, there are navigation options like "View all boards (10)", a user count "+10", and a "Share" button. The main content area shows a list of 40 containers with filters applied. Each container entry includes a status (e.g., "Processing", "Gated out empty", "Gated in full", "Loaded at Port", "In transit"), a supplier name, destination/air/port, and ETD/ETA. A chat window on the right shows messages from users like Emilia, Tracy, Nick, Leah, and Nick. A share dialog is also visible in the foreground, showing the URL "https://liveboard.beacon.com/tevertree/felix..." and a "Copy" button.

It helps you measure Scope 3 carbon emissions, get ahead of regulations and protect your brand

If you're not already being asked to report on the carbon emissions of your supply chain, you can bet the question is coming soon.

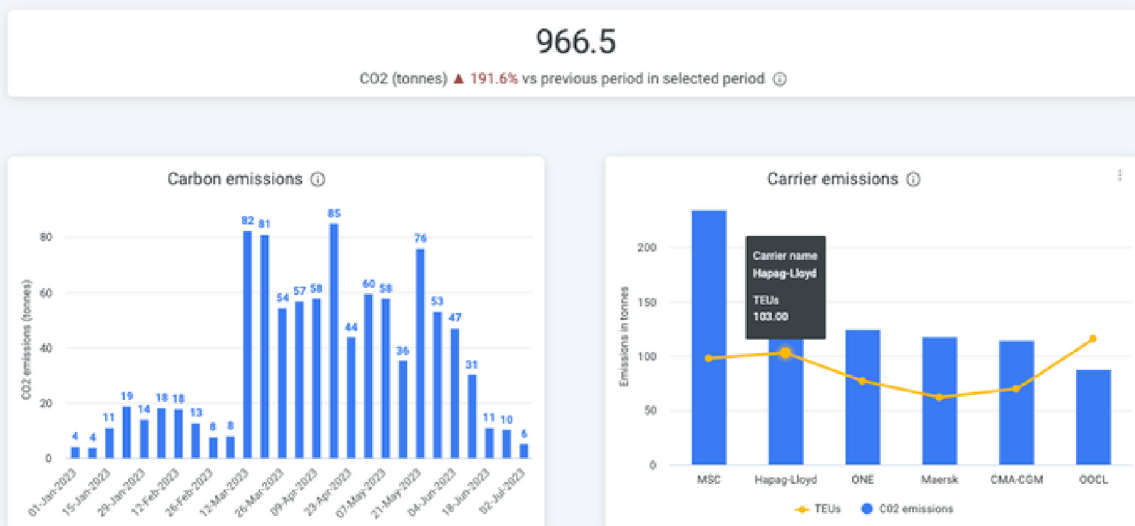
Understanding your carbon footprint is increasingly important as governments take steps to regulate emissions and consumer expectations around sustainability rise.

Indirect (Scope 3) emissions are the biggest component of an organization's carbon footprint. The World Economic Forum reports that up to 80%¹ of an organization's carbon emissions come from its supply chain while MIT research attributes freight transport as the source of 8%² of total global emissions.



While carriers might report on the emissions of individual shipments, it's hard to know what methodologies are being used and this can make it difficult to aggregate emissions being reported from different sources. And if you can't reliably measure emissions, demonstrating improved environmental performance becomes very difficult.

By unifying your freight data in a visibility platform like Beacon, you can build a single view of your transportation carbon footprint by applying a single, certified and globally recognized methodology.



1. <https://www.weforum.org/agenda/2022/11/scope3-supply-chain-emissions-cop27-ikea-philips-zf-unilever/>

2. <https://www.iso.org/contents/news/2023/01/a-net-zero-logistics-sector.html>

4

Measuring the ROI of supply chain visibility

Beyond the strategic benefits, supply chain visibility also delivers savings that boost your bottom line by virtue of reducing operational costs, increasing cash flow and driving revenue.

Control and reduce your freight spend

Within weeks of using a supply chain visibility platform like Beacon you'll be able to start understanding what's really happening in your logistics operations and generate insights to drive cost savings across several key areas.

Common sources of freight cost savings





Reduce air freight costs

By providing granular visibility into historical transit times and delays, visibility solutions like Beacon help you optimize order schedules to minimize the chances you will need to resort to urgent and expensive air freight. When delays do occur, automated alerts will notify you sooner so you can take corrective action to mitigate the likelihood that the disruption will necessitate the use of air freight.

5-6x

The relative cost of air vs. ocean freight³

Example

\$25,000

Potential savings for a business with \$300,000 in annual air freight spend that shifts 10% to ocean



Minimize detention and demurrage

Investing in visibility solutions also helps to rein in detention and demurrage costs. This is achieved through a combination of proactive notifications that alert you when containers are close to reaching their allowable free days and collaboration tools that extend visibility to your trucking and warehouse partners so they have all the information they need to keep goods moving.

Improved visibility reduces D&D by up to

80%



Example

\$24,000

Potential savings for a business with \$30,000 in annual detention and demurrage charges



Stop overpaying inaccurate invoices

According to Xeneta, overpayments on inaccurate invoices accounts for up to 6% of total freight costs⁴. Ending overpayments is one of the most effective ways to reduce your freight spend. By creating a database of detailed, historical supply chain data, visibility solutions like Beacon enable you to audit invoices from carriers, forwarders and other service providers to ensure you are only paying for legitimate charges.



Optimize contracted free days

Beacon's detention and demurrage reports help you understand exactly how many days your containers have spent on and off quay at each port over time. Equipped with an accurate understanding of how many free days you actually need, you can use this as a lever to reduce the contracted number of free days and negotiate reduced freight rates.



4. <https://www.xeneta.com/blog/shipping-invoice>



Negotiate contracts that reflect past performance

Insights give you negotiating power with your supply chain partners. By putting numbers around the past performance of carriers and routes you can compare and contrast your carriers and forwarders, benchmark costs and service reliability against the market and leverage these insights to negotiate contracts that fairly reflect the quality of service received.

Example

\$20,000

Savings for every 1% of freight cost reduction for a company with \$2M annual freight spend

Example

\$100,000

Savings for every 1% of freight cost reduction for a company with \$10M annual freight spend



Reduce unplanned penalty charges

The knock on-effects of delays can be extremely costly. Improving visibility helps you communicate updates more efficiently and take action sooner to minimize the impact of delays and disruptions. In doing so, you can reduce punitive charges stemming from late delivery, failure to deliver on-time in-full (OTIF), haulier and warehouse cancellations, rebooking fees and waiting charges.

40%+

of global container shipments experience delays⁵



\$5-6 billion

Estimated aggregate OTIF penalties charged in the US each year⁶

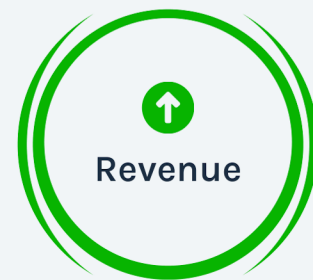
5. <https://www.sea-intelligence.com/press-room/185-schedule-reliability-continue-its-upwards-trend>

6. <https://www.rm2.com/2021/07/28/to-reduce-otif-infractions-supply-chains-need-a-single-point-of-data-truth/>

Optimize inventory management, rein in carrying costs and boost revenue

A key feature of any good supply chain visibility solution is an analytics and reporting suite that gives you the insights needed to improve supply chain planning.

As you amass a robust historical data set, you'll be able to adopt data-driven approaches to planning. In doing so, you can strike the delicate balance between having enough inventory to meet demand and avoiding the cash flow and balance sheet challenges of carrying bloated levels of safety stock.



Reduce inventory levels

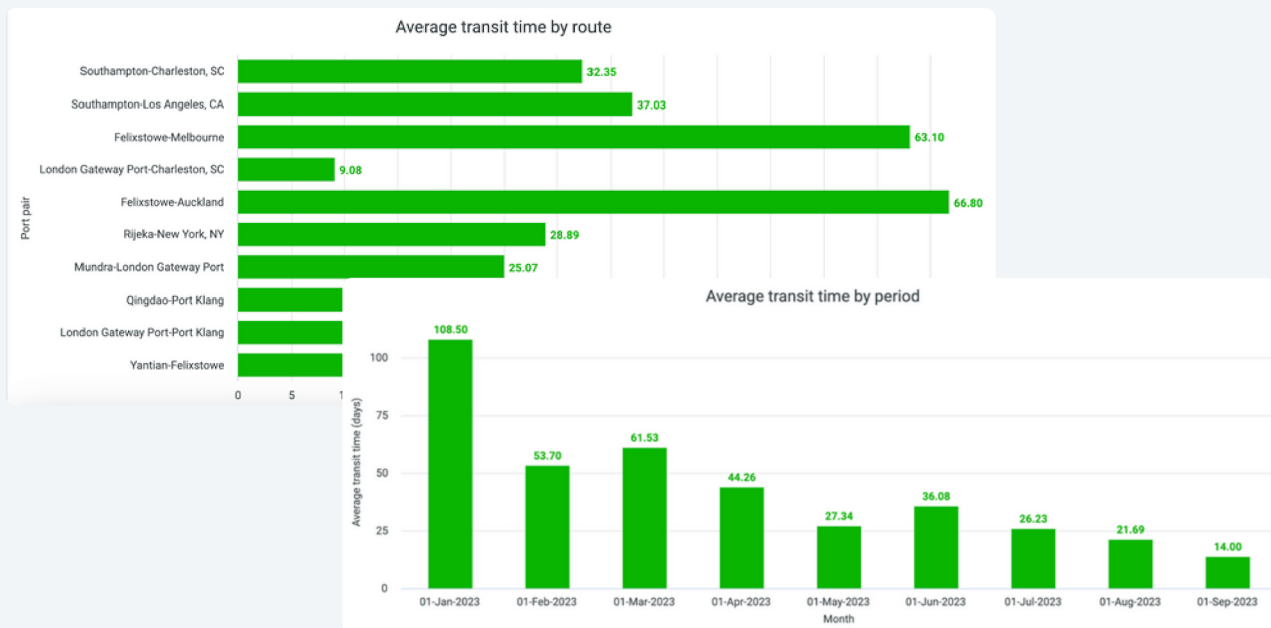
The most common reaction to supply chain risk or uncertainty is to **increase levels of safety stock**. But the costs associated with ordering and warehousing excess inventory can balloon quickly and have a negative impact on cash flows.

By providing insights into actual transit times by route, carrier and time period, solutions like Beacon allow you to improve supply chain planning. Instead of relying on estimated lead times from your partners, you can use real historical data as the basis for ordering decisions. When risks do arise, automated notifications help you respond quicker to minimize their impact. Taken together, these features enable you to reduce safety stock levels and free up cash flow.

Reduce stockouts and boost revenue

Stockouts don't only result in missed revenue, they can also erode the goodwill toward your brand.

Beyond helping you control safety stock levels, improved visibility also helps you make good planning decisions down to the SKU level to ensure you have enough product on shelves or in your warehouse to meet consumer demand. Doing so reduces the likelihood of lost revenue due to stockouts, and protects the customer experience in the process.



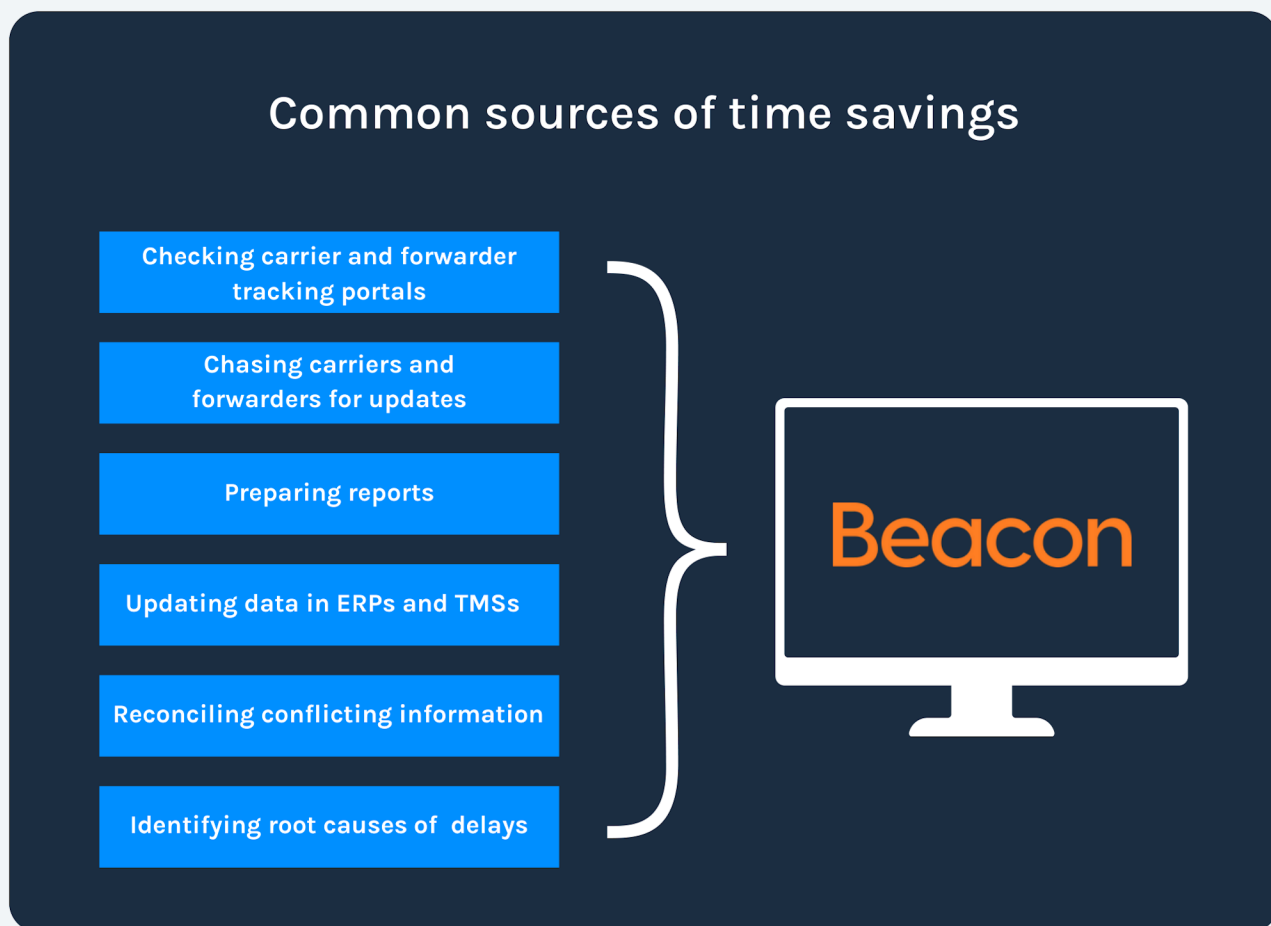
Spend less time chasing ETAs, updating stakeholders and pulling reports

Chasing ETAs, keeping supply chain partners and stakeholders up to date and pulling reports are repetitive, time consuming tasks that can easily turn into a full day's work .

By automating the process of fetching tracking updates, visibility solutions like Beacon completely eliminate the need for logistics teams to chase shipment ETAs. This can reduce the time spent on tracking activities by up to 80% and free up teams to focus on problem solving rather than information gathering.

Beacon Live Boards reduce the burden of communication with warehouse teams and other stakeholder groups by making the information they need available in real-time. Instead of sending an email every time something changes, simply complete a one time setup of your Live Board and share the link with your partners. Commenting capabilities enable you to communicate and coordinate responses to disruptions directly alongside the latest data.

Beyond the time and salary savings associated with streamlined tracking and collaboration, **out of the box analytics and reporting saves managers from spending hours generating the insights needed to report and improve on performance.**



Beacon

Ready to reap the
rewards of improved
**supply chain
visibility?**

Book your free discovery
call at beacon.com